

**GOVERNMENT OF INDIA
SMALL SCALE INDUSTRIES
LOK SABHA**

UNSTARRED QUESTION NO:581
ANSWERED ON:17.07.2002
CLOSURE OF SSI IN KARNATAKA
K.H. MUNIYAPPA

Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

- (a) whether a number of small scale industries have closed down in Karnataka due to various reasons like power hike, costly labour etc.;
- (b) if so, the details thereof;
- (c) whether Government has approved incentives to these units to revive and strengthen their performance; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF SMALL SCALE INDUSTRIES, MINISTER OF STATE IN THE DEPARTMENT OF PERSONNEL AND TRAINING, DEPARTMENT OF PENSIONS AND PENSIONERS' WELFARE, THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS, MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE (SMT. VASUNDHARA RAJE)

(a) & (b) : The information on closed units is not maintained centrally. However, the Reserve Bank of India (RBI) compiles data on sick SSI units financed by scheduled commercial banks. As per the latest information available with the RBI, there were 4400 sick units in the State of Karnataka at the end of March, 2001.

(c) & (d) : The Government is fully seized of the incidence of industrial sickness among SSI units and has taken various measures to facilitate timely identification and rehabilitation of potentially viable sick units, which inter-alia include institutional mechanism in the form of State-level Inter-Institutional Committees (SLIICs), Special Rehabilitation Cells in banks and State Financial Institutions and elaborate guidelines issued by the RBI for extending rehabilitation assistance to eligible units.

Further, for rehabilitation of sick/closed units, Government of Karnataka has also been providing assistance in the form of Seed Margin Money at 25% of the Project Cost subject to a maximum of Rs.2.50 lakhs, waiver of fixed charges during closure period, payment of arrears of energy bill in instalments and waiver of interest for closure period.